

### **REMARKS/ARGUMENTS**

The Office Action of July 14, 2005 and a Notice of Panel Decision from Pre-Appeal Brief Review mailed December 13, 2005, has been reviewed, and in view of the following remarks, reconsideration and allowance of all of the claims pending in the application are respectfully requested. Despite disagreement with the Office Action, Applicants have amended the claims to further clarify embodiments of the present invention. No new matter is added.

#### **Claims Rejections under 35 U.S.C. § 103(a)**

Claims 19, 21-29, and 31-38 are currently rejected under 35 U.S.C. § 103(a) as being allegedly unpatentable over U.S. Patent No. 6,055,513 to Katz *et al* ("Katz") in view of U.S. Patent No. 6,161,128 to Smyk ("Smyk"). This rejection is flawed for at least the following reasons.

By relying on the Abstract of Katz, the Office Action alleges that every limitation is shown by Katz except for "the primary transaction is a cancellation transaction." While Appellants agree that Katz fails to show the claim limitation directed to "wherein the request is a request to terminate a relationship with the provider," Katz fails to show additional claim limitations as detailed below.

In contrast to the claimed inventions, Katz appears to disclose a method for intelligent selection of goods and services in telemarketing and electronic commerce (Abstract). According to Katz, a first communication is established to effect a primary transaction. The primary transaction can be a user initiated transaction for purchase of a specific good or service (see claim 1 of Katz). Using information associated with the primary transaction, an upsell is

generated and offered to the customer where the upsell is based on the primary transaction (Abstract). Smyk is a completely unrelated system that appears to disclose an Internet based service control system that allows subscribers to modify services through an Internet gateway. In the system of Smyk, users can obtain subscriber-specific information and can directly make changes to service via the Internet channel (Abstract).

Katz fails to show the step of “receiving a request from a customer, *wherein the request is received by a provider or provider representative.*” In Katz system, a request is received by a telemarketer, not by a provider or provider representative. This limitation is clearly missing from the Katz and Smyk disclosures. After the step of “receiving a request from a customer,” independent claim 19 recites “retrieving *account data* associated with the customer in response to the request *where the account data is displayed on a graphical user interface, wherein the account data is verified for the customer.*” In the Katz system, the telemarketer does not have access to account data for a customer. Therefore, the telemarketing system of Katz does not display any account data on a graphical user interface and further fails to verify the account data for the customer. This limitation is also clearly missing from the Katz and Smyk disclosures.

Further, Katz fails to disclose the claim limitation of “identifying one or more incentives based on the *request type* ....., the *customer segment* and *one or more profitability factors associated with the provider of the one or more incentives.*” The Office Action has failed to identify any disclosure in Katz that is directed to identifying incentives based on at least one or more profitability factors associated with the provider of the incentives. This feature is missing from Katz and Smyk fails to make up this deficiency, among others.

The Office Action acknowledges that Katz fails to show the claim limitation directed to “receiving a request from a customer ... wherein the request is a request to terminate a relationship with the provider.” In contrast, a user contacts the Katz system for a primary transaction, related to a sale or other commercial transaction. A user contacts the Katz system for purpose of a primary transaction (col. 13, line 52). Either upon completion of the primary transaction, such as through consummation of a sale or by program flow to further action prior to consummation of a sale, action (decision) block 12 is arrived at wherein data, such as order data or other primary transaction data is compared to one or more databases for analysis. The primary transaction may be a contact for a sale or other commercial transaction (col. 13, lines 64-66).

As admitted by the Office Action, Katz fails to show that the initial contact is a request to terminate a relationship with the provider (Office Action mailed 7/14/05, page 3). For this deficiency, the Office Action relies upon the disclosure of Smyk. Smyk appears to be directed to an Internet based service control channel that connects a subscriber to a service provider. In the system of Smyk, the subscriber can obtain subscriber-specific information and can directly make changes to service via the Internet channel (Abstract).

The Office Action has failed to provide proper motivation for combining Katz and Smyk. Rather, the Office Action alleges that it would have been obvious to one skilled in the art at the time of the invention was made to add that teaching of Smyk to Katz to allow upsell in case of cancellation as well so to obviously retain the customer (Office Action mailed 7/14/05, page 3). Therefore, the alleged “motivation” relied upon by the Office Action for modifying Katz is because Smyk allegedly teaches that a cancellation is just another change of service transaction

akin to any other service modification transaction and can be treated similarly (Office Action mailed 7/14/05, page 3). This statement of motivation fails for at least the following reasons.

Katz is clearly not concerned with losing customers because the customer contacts the system of Katz to purchase products. The system of Katz offers additional upselling products during this initial transaction. The Katz system is not directed to “retaining the customer in response to the request” because the customer is contacting the system of Katz for the purchase of products (see Katz, column 13, lines 52-67).

Further, the system of Smyk is completely unrelated to the system of Katz. Smyk is an Internet based service control system that allows subscribers to make changes to service via an Internet channel (Abstract). The system of Smyk has nothing to do with providing one or more tailored incentives to a customer in response to a customer request. In fact, the system of Smyk allows for a direct communication channel between the subscriber and the service provider. While the system of Smyk allows for a subscriber to make modifications to service, Smyk fails to teach that a cancellation is just another change of service transaction akin to any other service modification transaction and can be treated similarly, as alleged by the Office Action. Smyk further fails to show that such a teaching could be applied to a telemarketing system of Katz that offers an upsell in response to a primary transaction for purchase of a product or service.

The rejections of the independent claims over Katz and Smyk are classic examples of hindsight reconstruction that is contrary to the law. The Office Action has failed to set forth a *prima facie* case of obviousness for the claims. Specifically, when a primary reference is missing elements, the law of obviousness requires that the Office set forth some motivation why one of ordinary skill in the art would have been motivated to modify the primary reference in the

exact manner proposed. *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664 (Fed. Cir. 2000). In other words, there must be some recognition that the primary reference has a problem and that the proposed modification will solve that exact problem. All of this motivation must come from the teachings of the prior art to avoid impermissible hindsight looking back at the time of the invention.

In the present case, the Office Action's sole justification for modifying Katz has absolutely nothing to do with the deficiencies of Katz. As admitted by the Office Action, Katz fails to show at least "wherein the request is a request to terminate a relationship with the provider." (Office Action mailed 7/14/05, page 3). The Office Action's justification for modifying Katz is because Smyk allegedly discloses receiving a request for changing/updating service data/services. This alleged statement of motivation has absolutely nothing to do with the deficiencies of Katz. To properly modify Katz to correct for these major deficiencies, the Office has the burden to show some motivation why providing those elements would have overcome some perceived problem with Katz. Any such motivation is completely lacking. The Office Action has failed to rely upon any valid teaching in Smyk to justify the major modification to Katz. Accordingly, the Office has failed to provide any proper motivation for modifying Katz, so the proposed modification fails.

The Office Action has failed to set forth a *prima facie* case of obviousness. Specifically, when a primary reference is missing elements, the law of obviousness requires that the Office set forth some motivation why one of ordinary skill in the art would have been motivated to modify the primary reference in the exact manner proposed. *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664 (Fed. Cir. 2000). In other words, there must be some recognition that the primary reference has a

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Accordingly, the Office Action has failed to provide any proper motivation for modifying Katz as taught by Smyk, so the proposed modification fails. In fact, Katz and Smyk are improperly combined and lack proper motivation. Even if Katz and Smyk could be modified as suggested by the Office Action, the resulting combination would nevertheless fail to show each and every limitation claimed by Applicants. More specifically, any combination of Katz and Smyk could still fail to disclose "wherein the request is a request to terminate a relationship with the provider."

The mere fact that Katz and Smyk can be somehow combined and modified does not render the resultant modification obvious unless there is a suggestion or motivation found somewhere in the prior art regarding the desirability of the combination or modification. *See* M.P.E.P § 2143.01; *see also In re Mills*, 16 U.S.P.Q.2d 1430, 1432 (Fed. Cir. 1990); *In re Fritz*, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). In addition, the teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in Applicants' disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

Therefore, the Office Action has failed to meet its burden. The rejection of independent claims 19 and 29 under 35 U.S.C. § 103(a) should be withdrawn and the claims allowed accordingly. Claims 21-28, and 31-38 all depend ultimately from one of independent claims 19 and 29, respectively. As such, each of these dependent claims contain each of the features

recited in the independent claims. For the reasons stated above, Katz in combination with Smyk fails to disclose the claimed inventions and the rejections should be withdrawn. Additionally, these claims are separately patentable over Katz in combination with Smyk.

The initial burden is on the Examiner to provide some suggestion of the desirability of doing what the inventors have done. The Examiner has clearly failed to reach the initial burden. For a proper rejection under 35 U.S.C. § 103, there must be some motivation to modify the primary reference as suggested by the Office Action. Any such motivation is completely lacking.

### CONCLUSION

In view of the foregoing amendments and arguments, it is respectfully submitted that this application is now in condition for allowance. If the Examiner believes that prosecution and allowance of the application will be expedited through an interview, whether personal or telephonic, the Examiner is invited to telephone the undersigned with any suggestions leading to the favorable disposition of the application.

It is believed that no fees are due for filing this Response. However, the Director is hereby authorized to treat any current or future reply, requiring a petition for an extension of time for its timely submission as incorporating a petition for extension of time for the appropriate length of time. Applicants also authorize the Director to charge all required fees, fees under 37 C.F.R. §1.17, or all required extension of time fees, to the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

HUNTON & WILLIAMS LLP

By:

  
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Yisun Song  
Registration No 44,487

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Hunton & Williams LLP  
Intellectual Property Department  
1900 K Street, N.W.  
Suite 1200  
Washington, DC 20006-1109  
(202) 955-1500 (telephone)  
(202) 778-2201 (facsimile)  
YS/vrp